

On May 20, 2009, the House of Representatives passed the Credit Cardholders' Bill of Rights ( [H.R. 627](#)

). I am proud to have been a cosponsor of the legislation for two Congresses and am very pleased that we sent legislation to the President that will finally provide credit cardholders protection from the unfair and deceptive practices of some credit card issuers.

During this current economic crisis, many Americans have come to rely more on their credit cards to make ends meet. Unfortunately, some credit card issuers have seen this as an opportunity to exploit their customers by instituting unjust policies that squeeze a little more out of the credit cardholder, thus increasing the debt burden that they must bear. I have heard countless personal stories from my constituents about how credit card issuers have taken advantage of them, in particular through the use of the practice of "universal default" – the raising of interest rates because of lateness or default with other creditors. H.R. 627 will level the playing field between credit cardholders and issuers by ensuring common sense and fair credit card regulations, including:

- preventing misleading terms and practices that damage credit scores;
- protecting vulnerable consumers from high-fee subprime credit cards;
- ending unfair penalties for cardholders who pay on time, including unfair "double cycle" billing;
- requiring fair allocation of consumer payments so that cardholder payments are used to pay off their highest interest rate debt; strengthening credit card disclosures;
- ending unfair, arbitrary interest rate increases, including universal default;
- protecting cardholders from due date gimmicks;
- giving consumers choice and stops excessive "over the limit" fees;
- setting standards for student credit cards and barring issuing credit cards to minors unable to show a reasonable ability to pay; and
- strengthening oversight of the credit card industry.

Our economic recovery depends on a shared prosperity – and we must put an end to these abusive practices that continue to drive so many Americans deeper into debt. [ [Bill Summary](#) ]